



General Assembly

Substitute Bill No. 257

February Session, 2004

* _____SB00257CE_FIN031104_____*

**AN ACT CONCERNING THE URBAN AND INDUSTRIAL SITE
REINVESTMENT PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (i) of section 32-9t of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (i) (1) There shall be allowed as a credit against the tax imposed
5 under chapters 207 to 212a, inclusive, or section 38a-743, or a
6 combination of said taxes, an amount equal to the following
7 percentage of approved investments made by or on behalf of a
8 taxpayer with respect to the following income years of the taxpayer:
9 (A) With respect to the income year in which the investment in the
10 eligible project was made and the two next succeeding income years,
11 zero per cent; (B) with respect to the third full income year succeeding
12 the year in which the investment in the eligible project was made and
13 the three next succeeding income years, ten per cent; (C) with respect
14 to the seventh full income year succeeding the year in which the
15 investment in the eligible project was made and the next two
16 succeeding years, twenty per cent. The sum of all tax credits granted
17 pursuant to the provisions of this section shall not exceed one hundred
18 million dollars with respect to a single eligible urban reinvestment
19 project or a single eligible industrial site investment project approved

20 by the commissioner. The sum of all tax credits granted pursuant to
21 the provisions of this section shall not exceed five hundred million
22 dollars, provided not less than one hundred fifty million dollars of
23 such tax credits shall be designated for: (i) Eligible projects relating to
24 any economic cluster initiative recognized by the Commissioner of
25 Economic and Community Development, and (ii) eligible projects
26 relating to technology utilizing renewable energy, as defined in section
27 16-245n, as amended.

28 (2) Notwithstanding the provisions of subdivision (1) of this
29 subsection, any applicant may, at the time of application, apply to the
30 commissioner for a credit that exceeds the limitations established by
31 this subsection. The commissioner shall evaluate the benefits of such
32 application and make recommendations to the General Assembly
33 relating to changes in the general statutes which would be necessary to
34 effect such application if the commissioner determines that the
35 proposal would be of economic benefit to the state.

36 Sec. 2. Subsection (o) of section 32-9t of the general statutes is
37 repealed and the following is substituted in lieu thereof (*Effective from*
38 *passage*):

39 (o) No taxpayer shall be eligible for a credit under (1) this section,
40 and (2) section 12-217e or 38a-88a, for the same investment. No two
41 taxpayers shall be eligible for any tax credit with respect to the same
42 investment or the same project costs, provided nothing in this section
43 shall be construed to prohibit any taxpayer from claiming the credit
44 allowed under this section for such taxpayer's pro rata share of the
45 total asset value of such investment.

46 Sec. 3. Subsection (j) of section 32-9t of the general statutes is
47 repealed and the following is substituted in lieu thereof (*Effective from*
48 *passage*):

49 (j) The credits allowed by this section may be claimed by a taxpayer
50 who has made an investment (1) directly only if such investment has a
51 total asset value whether alone or in conjunction with other taxpayer

52 investments in such eligible project, of not less than [twenty] five
 53 million dollars; (2) through a fund managed by a fund manager
 54 registered under this section only if such fund: (A) Has a total asset
 55 value of not less than sixty million dollars for the income year for
 56 which the initial credit is taken; and (B) has not less than three
 57 investors who are not related persons with respect to each other or to
 58 any person in which any investment is made other than through the
 59 fund at the date the investment is made; or (3) through a community
 60 development entity.

61 Sec. 4. Subsection (n) of section 32-9t of the general statutes is
 62 repealed and the following is substituted in lieu thereof (*Effective from*
 63 *passage*):

64 (n) Any taxpayer allowed a credit under this section may assign
 65 such credit to another taxpayer [, provided such other taxpayer may
 66 claim such credit only with respect to a taxable year for which the
 67 assigning taxpayer would have been eligible to claim such credit and
 68 such other taxpayer may not further assign such credit] or taxpayers.
 69 The taxpayer allowed such credit, the fund manager or the community
 70 development entity shall file with the Commissioner of Revenue
 71 Services information requested by the commissioner regarding such
 72 assignments, including, but not limited to, the current holders of
 73 credits as of the end of the preceding calendar year.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>

CE Joint Favorable Subst. C/R

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